

**EBALDC**

*Handwritten signature and date:*  
12/1/97

December 10, 1997

East Bay Asian Local Development Corporation

VIA FACSIMILE (202) 874-6965

Cynthia L. Johnson

Director, Cash Management Policy and Planning Division

Financial Management Service

U.S. Department of the Treasury

Room 420, 401 14th Street, SW

Washington, D.C. 20227

Dear Ms. Johnson:

We write to urge the Department of Treasury (Treasury) to address several critical components of its proposed rule on Electronic Funds Transfer 1999 (31 CFR Part 208). The East Bay Asian Local Development Corporation is a nonprofit community development corporation which provides housing, community and economic development in low-income neighborhoods in and around Oakland, California. We provide affordable housing for 552 families. Ninety-five percent of these families earn less than 50% of the area median income. For the past 2 years we have undertaken a program which provides our tenants with money management workshops and assists them in meeting savings goals.

**Voluntary Accounts and Electronic Transfer Accounts (ETAs).** The law directs Treasury to provide all recipients who will receive federal payments electronically access to an account at a financial institution at a reasonable cost and with the same consumer protections available to others. ETAs should be free of monthly service charges and offer the same features and protections as current mainstream checking accounts. In this area many banks offer fully featured accounts which are free with direct deposit. There is no reason why ETA accounts would have to be any different from these existing accounts. ETA accounts should include checks or money orders, ATM cards, customer support and accept additional deposits of non-federal funds. All recipients of federal benefits should have the option of choosing an ETA whether or not they have a previously established voluntary account.

**Non-Banks.** Treasury must not allow EFT partnerships between banks and check cashers. A system where funds are electronically transferred to regulated financial institutions, but recipients can only access their funds through check cashers is NOT acceptable and contradicts the provisions of the statute.

**Waivers.** The waiver provisions must be broadened to allow waivers for hardships posed by mental disabilities, literacy concerns, or language barriers. Financial hardship waivers should be available to anyone who finds it too expensive to maintain a bank account to receive benefits, not just those without bank accounts. Recipients should be able to receive waivers at any point, in case of an unforeseen disability or other hardship.

**Public Education Campaign.** It is critical that the public information campaign informs people of ALL their options, including waivers, obtaining an ETA account through Treasury, and the temporary waiver whereby recipients without bank accounts continue receiving paper checks until the ETA account is available. In order to avoid adding to the confusion, the public education campaign should be held until these details are all settled. Recipients who are frightened into opening accounts before the ETA is available, could easily fall prey to the abusive practices of check cashers or open bank accounts that are too costly. The information on EFT 99 must be clear and available in appropriate languages. Special attention should be paid to the needs of non-english speaking seniors.

We urge you to take action on these critical issues. Thank you for your attention to this matter.

Sincerely,

*Handwritten signature of Lynette Jung Lee*  
Lynette Jung Lee  
Executive Director

*Handwritten note:*  
EFT #135